

Dapp Industry Report: January 2021

Ethereum's NFT sector grew more than 10X to \$33 million in January 2021.

The start of 2021 has been exciting for the crypto industry. BTC has broken through \$40K, ETH has topped \$1400, and the market's total capitalization has reached \$1 trillion.

The DeFi ecosystem on Ethereum remained the most significant market in the blockchain industry. Total value locked topped \$30 billion.

Ethereum's scalability issues continued which resulted in increased gas prices. Ethereum-focused Layer 2 solutions, as well as rival Layer 1 blockchains, continued showing progress in January 2021.

Expectedly, plenty of excitement came from the NFT sector where leading dapps were replaced by newbies. NBA Top Shots and Hashmasks shook the NFT space with all-time high sales in the initial week of 2021.

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Key takeaways

- The Ethereum blockchain generated 86% of total transaction volumes in January or more than \$112 billion.
- In terms of daily active wallets, the blockchain accounts for 30% or 72,000 unique active wallets daily.

- The DeFi ecosystem generated 99% of Ethereum activity.
- Ethereum's NFT sector grew by more than 10 times from \$3 million in December to \$33 million in January. The biggest contributors were CryptoPunks and Hashmasks.
- The Flow blockchain's most active dapp NBA Top Shots reached all-time highs and took the leadership position in the NFT space with more than \$40 million in sales volumes.
- BSC had the best month so far. The blockchain surpassed \$15 billion in transaction volumes. The biggest contributors were Venus and PancakeSwap.
- Wax had the best month in terms of daily active wallets surpassing 21,000. The fastest-growing dapp Alien Worlds contributed the most.

Ethereum scalability issues continue

Ethereum gas prices tend to grow in waves. At the beginning of 2020, there was the [Tether USDT](#) stablecoin wave which was followed by the DeFi ecosystem or yield farming wave in the middle of

summer. In 2021, the increased gas prices are mainly triggered by [DeFi and NFT activity](#).

Although the arrival of [Ethereum 2.0](#) looks promising, developers are moving to different blockchains or layer 2 solutions. BSC distributed several new DeFi dapps now showing growth. Matic showed its potential to grab games activity. While [Flow demonstrated the potential of the NFT sector](#) with the best growing NFT dapp – [NBA Top Shot](#).



Source: [DappRadar](#)

Ethereum still leads the tribe

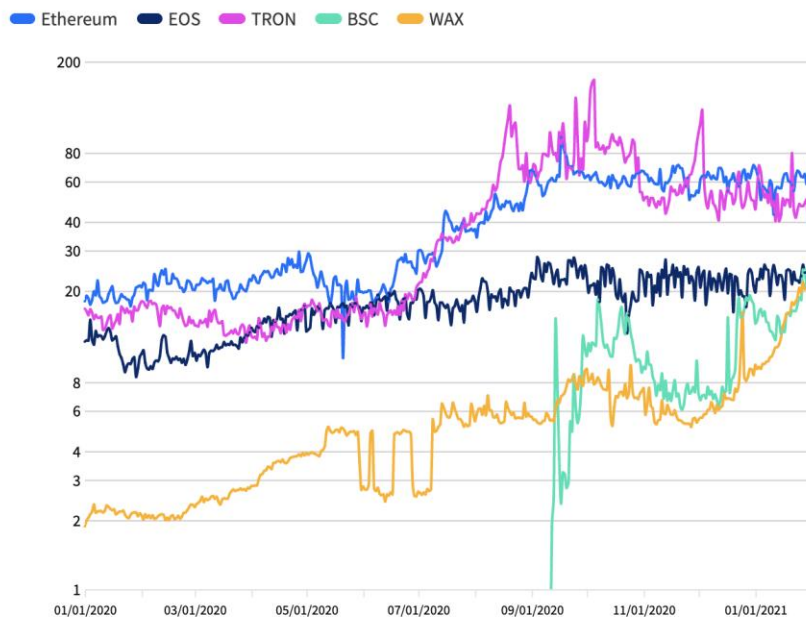
Historically, the main contenders to Ethereum's dominance were [EOS](#) and [Tron](#) and although these protocols generated substantial activity in 2021, other projects such as [Binance Smart Chain \(BSC\)](#) and [Wax](#) have quickly risen to prominence.

In terms of unique active wallets, Ethereum, BSC, and Wax grew daily unique active wallets month-on-month by 29%, 10%, and 9% respectively in January.

The biggest category for the Ethereum blockchain was still the [DeFi ecosystem](#). [Uniswap](#) and [1inch](#) Exchange were the two biggest contributors with unique active wallets of 44,000 and 3,400 respectively.

BSC also showed improved results. [PancakeSwap](#) on average generated 11,000 unique active wallets while [Venus](#) was around 1,000.

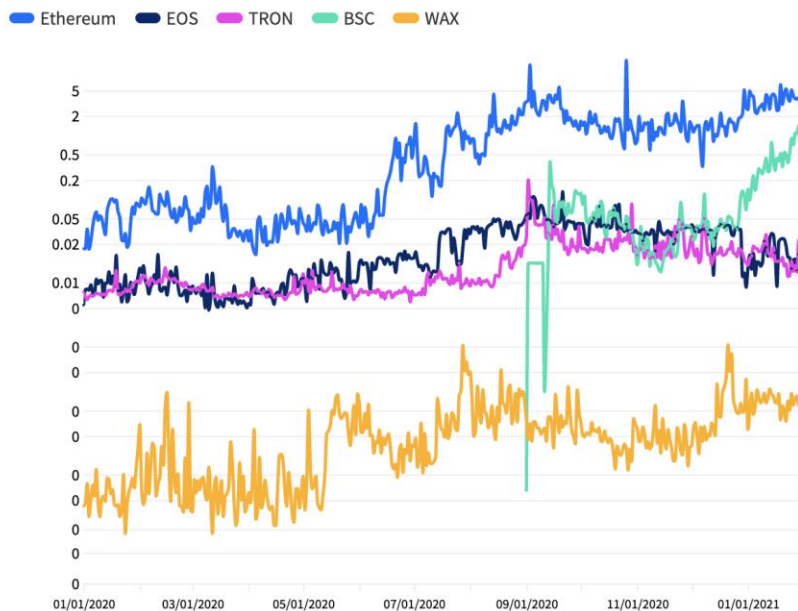
Unique Active Wallets by Protocol, K



Source: [DappRadar](#)

WAX was leading in terms of games activity with a dapp called [Alien Worlds](#). Growth from 1,700 to almost 8,000 unique active wallets meant it was the fastest-growing dapp on WAX in January 2021.

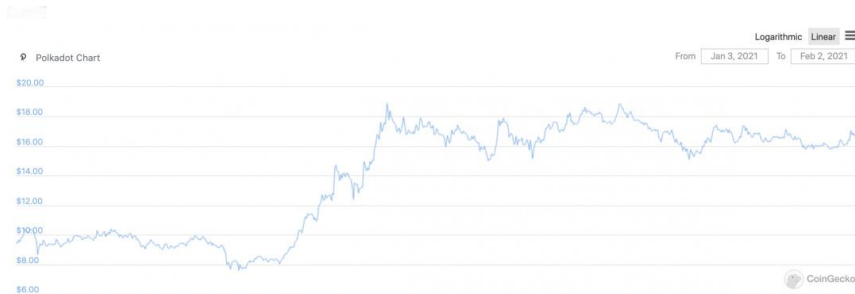
Transaction Volume by Protocol, Bn USD



Source: [DappRadar](#)

Other Ethereum contenders such as Polkadot, Cosmos, NEAR Protocol, Solana, Avalanche, and others are trying to challenge too.

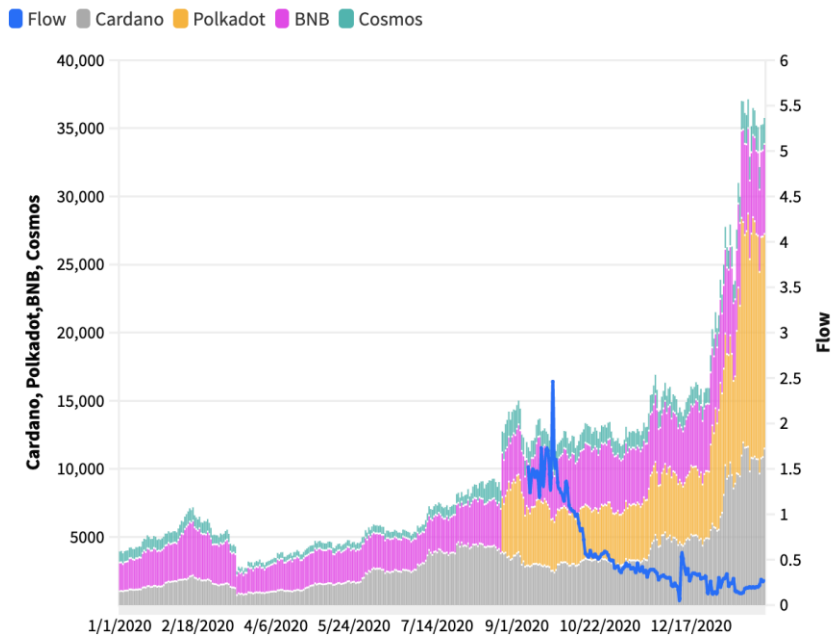
Reef Finance debuted as the first Polkadot project. Additionally, Polkadot's price rallied by 85% in January 2021 and surpassed XRP in market capitalization.



Source: [CoinGecko](#)

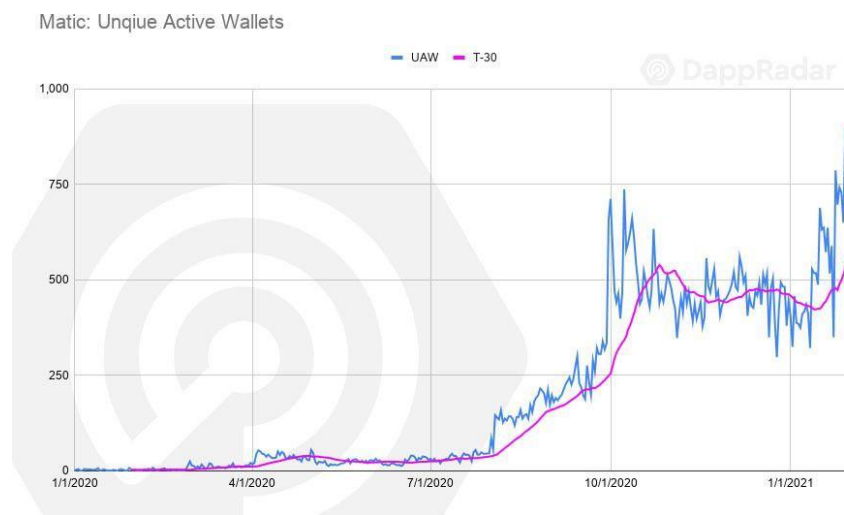
The beginning of 2021 looks very promising for the [Flow blockchain](#) which is designed as the foundation for a new generation of games, apps, and the digital assets that power them. [NBA Top Shot shook the NFT industry](#) and became a leading NFT dapp in just a matter of weeks.

Ethereum Contender's Marketcap 2020, M USD



Source: [DappRadar](#)

As Ethereum struggles with scalability limitations, Layer 2 solutions have come to the fore. Recently [Aavegotchi](#) and [SkyWeaver](#) announced that they will be launching on Matic Network which appears to have caused an increase in the number of unique active wallets.

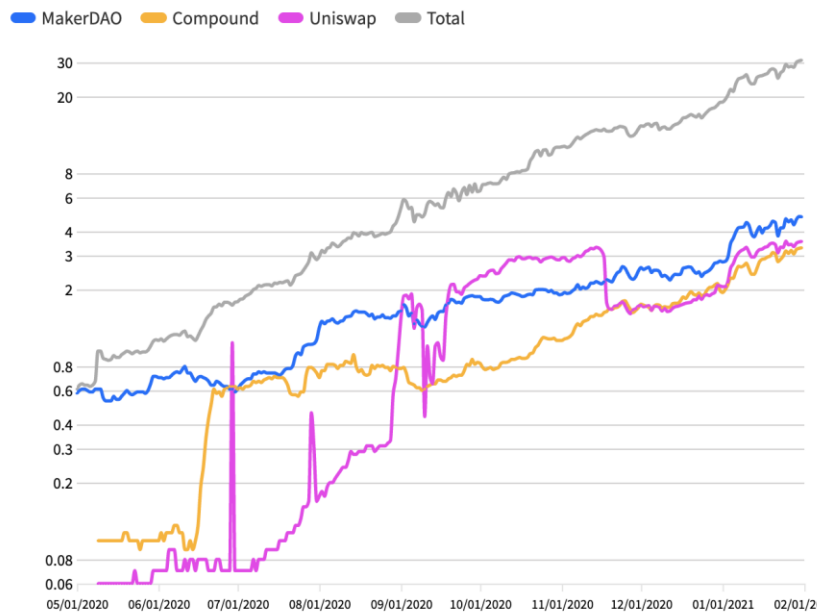


Source: [DappRadar](#)

DeFi hits all-time high TVL

January was a very exciting month in terms of value created in the blockchain space. Total value locked (TVL) has just passed the \$30 billion line. [As reported before](#), the main reason behind such a surge was January token price increases. [Uniswap's \\$UNI](#) and [Compound's \\$COMP](#) surged to \$20.03 and \$366 respectively.

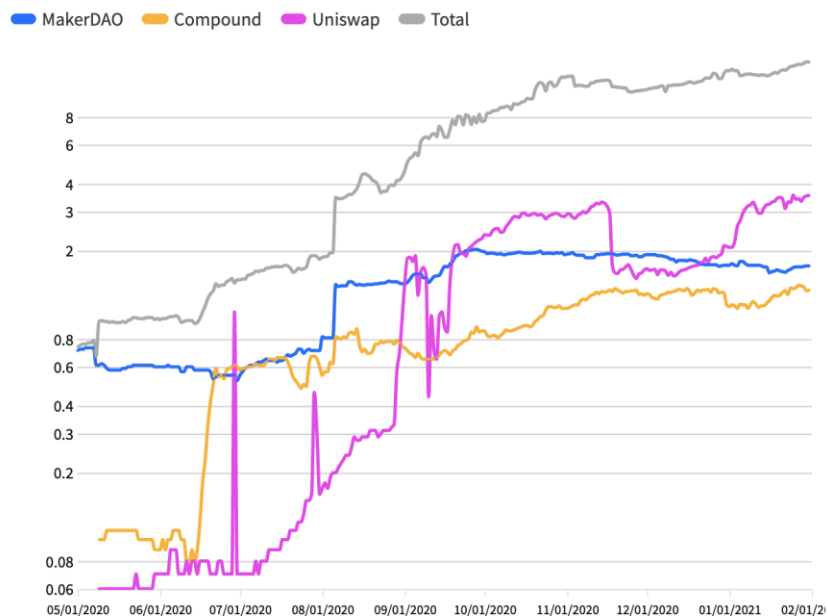
DeFi: TVL, Bn USD



Source: [DappRadar](#)

In the event of a surge in the price of ETH and other altcoins, [aTVL shows the true growth of assets](#) added to the smart contracts. [According to aTVL](#), the value surged from \$12 billion to \$14 billion within January. This metric, alongside TVL, helps to better understand [DeFi ecosystem growth](#).

DeFi: aTVL, Bn USd



Source: [DappRadar](#)

As impressive growth within the DeFi ecosystem continues into 2021 the NFT sectors showed increased activity too. Not only well-known dapps spiked in terms of transaction volumes. [Newbies](#) showed their potential to overtake the old guard.

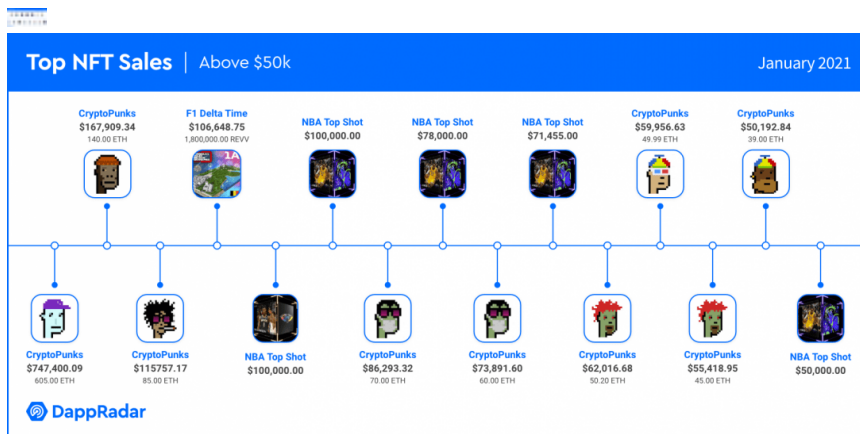
More excitement for NFTs

During the second half of 2020 rivals were trying to emulate Ethereum's DeFi ecosystem while 2021 appears to be starting with the mirroring of NFTs. Recently, [Tron announced its NFT standard TRC-721](#).

Overall, the collectibles sector has been heating up with sales numbers growing quickly. The top two projects making the biggest impact in terms of

transaction volumes have been Ethereum's Crypto Punks and Flow's NBA Top Shot.

Crypto Punks has been delivering high-value sales. Most recently, an Alien CryptoPunk 2890 was sold for 605 ETH or over \$760K. NBA Top Shot also made a couple of sales amounting to \$100,000 per moment.

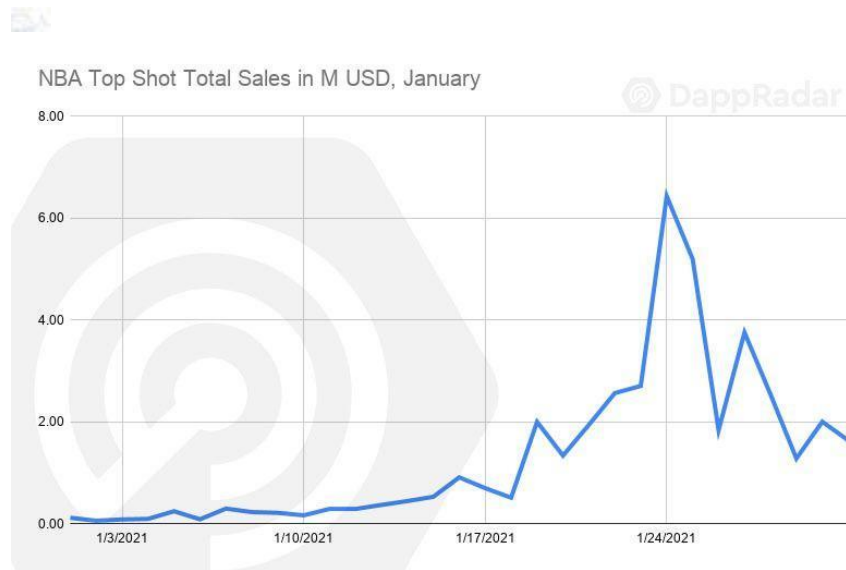


Source: DappRadar

NBA Top Shot leads NFT category

It didn't take long for NBA Top Shot to gain traction in the blockchain industry. Recently, the platform surged to the number one position in the NFT sector with some record-breaking sales. Comparatively, CryptoPunks, the very first NFT collection built on blockchain took three years to reach sales of more than \$100,000.

NBA Top Shot has seen the best sales in January 2021 with over \$40 million sales volume generated subsequently driving the dapp to number one.

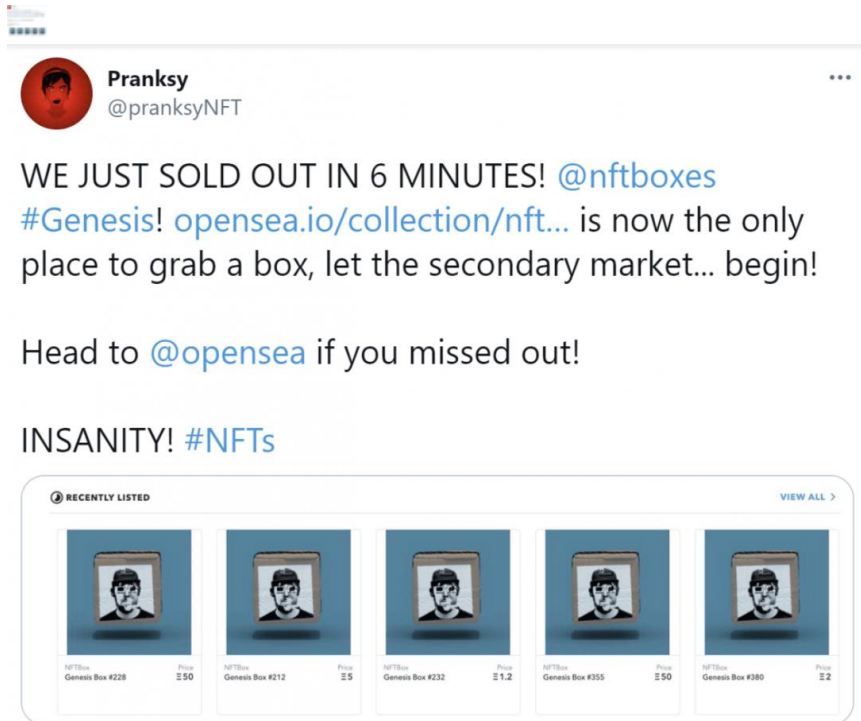


Source: [CryptoSlam.io](https://cryptoslam.io)

New NFT project by Pranksy

Pranksy is an anonymous collector and a dominant figure and investment influencer in the NFT space. The latest offering being the [NFT Boxes project](#) that represents an interesting bundling event.

As per a Twitter post by Pranksy the bundles were sold within 6 minutes. The statistics on the top secondary markets OpenSea shows big sales too. There were 200 ETH sales made within the last 24 hours.



Source: [Pranksy Twitter Post](#)

Hashmasks is the leading NFT platform on Ethereum

Hashmasks shook the industry recently generating more than **\$9 million in transaction volume just 4-days after launch**. While it is too early to make any conclusions the project has already gathered a lot of attention gaining first place according to [DappRadar rankings](#).

	CATEGORY	PROTOCOL	BALANCE	USERS	VOLUME	ACTIVITY
1	Hashmasks	Collectibles	ETH	\$9.72M	2.89k	\$9.78M
2	CryptoPunks	Collectibles	ETH	\$3.68M	273 +31.25%	\$7.61M
3	CryptoTree	Collectibles	TRON	\$543.82	197 +17.26%	\$0.00
4	Avatars	Collectibles	ETH	\$42.20k	135 +40.63%	\$137.40k
5	Topps GK	Collectibles	WAX	\$0.60	95 +2.15%	\$0.00

Source: [DappRadar](#)

At the time of writing, Hashmasks NFTs are the number 1 collectible dapp across all platforms on DappRadar and number 4 across [all Ethereum dapp categories](#) within the last 24hrs. Interestingly, Hashmasks is the only collectibles dapp in the top 5.

January in-summary

To conclude, Ethereum’s scalability issues persisted, and as a result, Layer 1 and 2 solutions are becoming more and more popular.

Nevertheless, Ethereum remains the most significant blockchain with impressive darts to 2021 for both the DeFi and NFTs categories.

Although the recent all-time high total value locked was mainly driven by token price increases, the real growth was still noticeable. aTVL surpassed 14 billion at the end of January.

BSC had the best month so far in terms of both unique active wallets and transaction volumes; activity was mainly driven by DeFi dapps.

The NFT sector also proved to have lots of potential. Not only well-known projects such as CryptoPunks reached all-time high sales but industry newbies also showed impressive performances.

The Flow dapp NBA Top Shot within four months of existence became the biggest NFT dapp in terms of total sales.

Overall, it seems that the blockchain industry is heading to the next wave of growth – NFT dapps.